Government of
Saskatchewan

2006-2007
Annual Report

Saskatchewan
Justice

Farm Land Security Board

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This annual report is also available in electronic form from the Department's web site at **www.justice.gov.sk.ca**

Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the honour to submit the Annual Report of the Farm Land Security Board for the year ending March 31, 2007.

Respectfully submitted,

Frank Quennell, Q.C.
Minister of Justice and Attorney General

The Honourable Frank Quennell, Q.C.
Minister of Justice and Attorney General

Dear Sir:

I have the honour to submit for your consideration the Annual Report of the Farm Land Security Board for the year ending March 31, 2007.

The Saskatchewan Farm Security Act establishes the Farm Land Security Board, providing it a mandate in the areas of farm foreclosures, home quarter protection and farm ownership. During periods of economic instability in the farm sector, the *Act* executes a critical role in the support of farm families.

In the 2006-07 fiscal year, Notices of Intent to Foreclose served upon farmers increased slightly from the previous fiscal year, indicating the impact of the persistent economic challenges affecting the agricultural economy in Saskatchewan. Escalating operating costs, depressed commodity prices combined with climatic challenges in certain geographical areas affecting the grains sector, and the continuation of the effects resulting from the BSE-related crisis in the beef sector, are materializing in mortgage servicing difficulties.

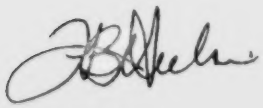
Activity in the Home Quarter Protection is being maintained at slightly reduced levels, reflecting less lending by creditors utilizing home quarters as security. However, it is important to recognize the marked increase in the proportion of applications securing debt restructuring, which is directly related to the depressed income environment experienced, in particular, in the past two years.

Farm Ownership activity under Part VI experienced a noticeable decline in the number of applications received. Changes to the Farm Ownership legislation, proclaimed in January 2003, removed the restrictions in the amount of land that may be acquired by Canadian citizens, residents of Canada and companies that are wholly Canadian-owned and not publicly traded. Regulation changes in May 2006, to align administration of the Farm Ownership provisions with the Southern Conservation Lands Policy, removed the Farm Land Security Board review of conservation land holdings acquired under the policy.

In general, the Board has observed continued, if not accelerated, change in the rural farm landscape. Heightened expectations in respect to the production of environmentally-secure commodities, together with the application of more sophisticated farming technology, has added to the educational and economic challenges that producers must address in the positive progression of their business. While there is increased optimism for the future of the industry, attributed directly to the production of grains dedicated to the bio-energy requirements, the Board is more cautiously optimistic in the analysis. Of notable significance are higher fuel, fertilizer and machinery costs, coupled with the potential demise of the Canadian Wheat Board in the grains sector and higher feed costs in the beef sector. These factors have the potential to restrain the progress in net income levels in our province.

We trust the attached report will illustrate the varied activities of the Board, its administrators and field staff during the past year. We appreciate the opportunity to serve.

Respectfully submitted,



Ferne Nielsen
Chair

Program Rationale, Governing Legislation and Organizational Structure

Mission Statement

It is the mission of the Farm Land Security Board to effectively deliver Saskatchewan Justice Farm Security Programs in a manner responsive to the needs of the broad rural community. These programs have been instituted to support family farms during periods of financial difficulty and to stabilize the economic and social environment in rural Saskatchewan.

Governing Legislation

Saskatchewan Justice Farm Security Programs are governed by *The Saskatchewan Farm Security Act* and its regulations. The Farm Land Security Board is established by the *Act*.

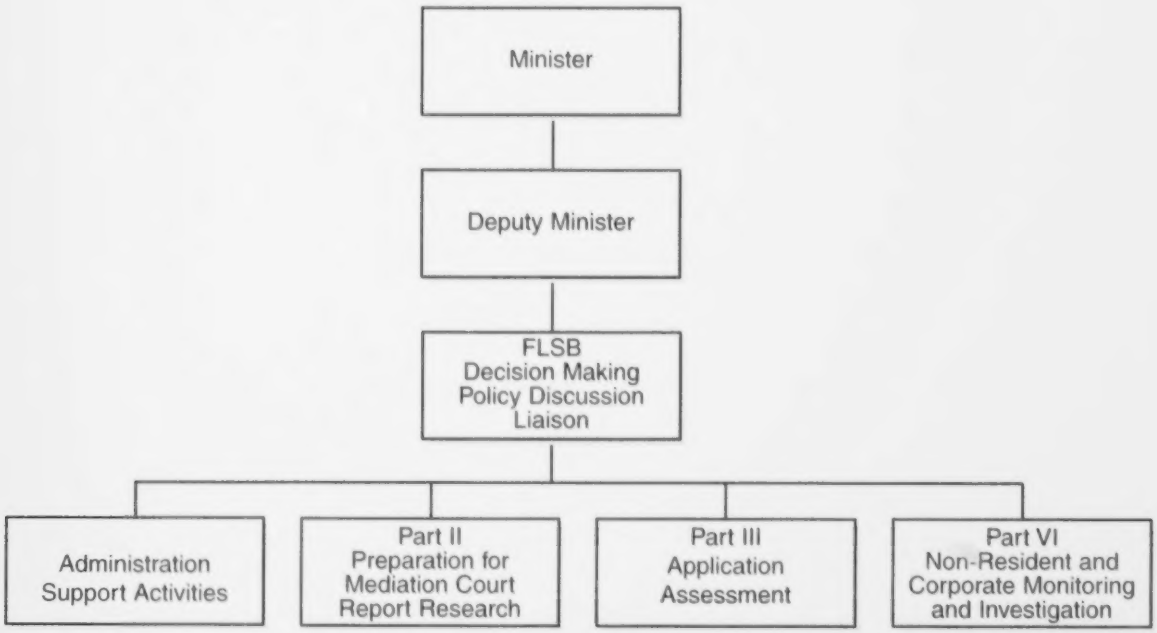
The Farm Land Security Board is mandated under Part II of the *Act* to oversee the process which occurs prior to a foreclosure action proceeding on farm land. The process is supportive to the farm community by enhancing the opportunity to resolve financial difficulties by means other than foreclosure.

The farm family in financial difficulty is provided the benefits of independent financial analysis and mediation. Ultimately, the Board's advice to the court may influence the course of an application to commence foreclosure proceedings.

Part III, Home Quarter Protection, of the *Act* allows the Board to exclude a mortgage from Home Quarter Protection when it is "in the best interests" of the farmer. The Board, in doing so, does not take a narrow view of these interests, but consults with the borrower on all aspects of the farm business.

Objectives of Part VI, Farm Ownership, are to deliver the mandate of preserving Saskatchewan farm land for ownership and operation by Canadian residents and entities, while remaining open and sensitive to the broader needs and opportunities of our province. This is accomplished by its daily contact with agricultural and non-agricultural corporations and non-residents.

Organizational Structure



Members of the Farm Land Security Board in the 2006-07 year:

Leslie Belloc-Pinder
- Chair, term expired November 2006

Ferne Nielsen
- Chair, appointed November 2006 (previously Board Member)

Larry Kopan

Allan Patkau

John Will
- appointed September 2006

Lynn Connor
- appointed February 2007

The Board employs managerial and support staff in Regina, as well as contractual field consultants located around the province.

Program Objectives, Activities and Impacts

Part II – Farm Foreclosures

Mandate

Part II of *The Saskatchewan Farm Security Act* has the stated purpose "to afford protection to farmers against loss of their farm land." Before proceeding to court, the *Act* requires all lenders or writ holders to first provide notice to the farmer and to the Farm Land Security Board respecting their intention to foreclose. The *Act* provides a financial review and mediation mechanism to assist the parties' efforts to find a settlement. If mediation is not successful, the *Act* requires the Board to prepare a report for the court which provides an opinion on questions stated in the *Act*, and any other matter the Board feels is relevant. The *Act* directs the court to give the report primary consideration. The statutory period allowed for the above is 150 days.

The program helps farmers facing foreclosure by clarifying their financial situation and assisting them in understanding their legal rights and obligations. These activities help establish achievable expectations and objectives for farmers as they enter the mediation process.

The program was also designed to assist the court in its determination of whether allowing foreclosure to proceed would be "just and equitable." The Board's report to the court provides insight into the personal and financial circumstances of the farm family. As well, because some aspects of Home Quarter Protection legislation are linked to the Board's opinion in the report, important legal support for farm families hinges on the report's conclusion.

Resources

$464,300 is attached to the delivery on Parts II and III under the *Act*, exclusive of general administration overhead and Board meetings. Two full-time equivalent employees and 28 specialized contract field consultants work in these programs.

Objectives

The primary objective of the program is to assist farmers and creditors facing a possible foreclosure to understand and resolve the underlying financial problems, thereby keeping farmers on the land and in rural communities. An additional resulting benefit is to provide a fair and effective means of resolving farm financial difficulties without involving the court system.

Activities

Field Analysis and Mediation Preparation

Following receipt of a Notice of Intent to Foreclose, the Board assigns the matter to a field consultant. It is the field consultant's responsibility to meet with the farm family to adequately prepare them for the mediation opportunity. The field consultant also contacts the creditor to discuss its legal rights and obligations and to prepare the creditor for mediation. This preparation includes a review and analysis of the farm family's financial situation. Discussions about their personal and financial situation and their legal rights and obligations occur. Through these discussions, the field consultant helps the family establish goals for the mediation process and beyond. A financial report is produced and provided to the farmer, the mediator and the creditor. The consultant will accompany the farmer to the mediation meeting, acting as a resource and a support to the family.

When the review and mediation activities do not find a suitable solution, the creditor may ask for the Board's report to the court. Upon receiving such a request, the Board appoints a consultant with specialized training to research the request. This will include updating the farm's financial picture and gathering other relevant information.

The Board will issue a report to the court and will interview the lender and the farmer when necessary. The report provides primary advice to the court in its determination of whether leave is granted to advance into a foreclosure action.

The *Act*, through its provision of a field consultant, a process of mediation, and its requirement of a court report, has avoided initiation of foreclosure actions in the majority of Notices of Intent to Foreclose being issued. Although repayment arrangements are not always achieved, leaseback and exit arrangements benefit some farm families.

Further detail on the success of mediation can be obtained from the Dispute Resolution Services section of the Saskatchewan Justice Annual Report.

Notices of Intent to Foreclose Received by the Farm Land Security Board

Fiscal Year	Notices*
1995-96	481
1996-97	386
1997-98	342
1998-99	313
1999-00	403
2000-01	405
2001-02	329
2002-03	300
2003-04	297
2004-05	428
2005-06	350
2006-07	357

* Notices of Intent to Foreclose are submitted on a mortgage basis and may involve more than one mortgage.

In addition to the 357 Notices of Intent to Foreclose received by the Board in 2006-07, 43 previously-resolved Notices were reactivated at the request of lenders for additional investigation.

Notices of Intent to Foreclose Served on the Farm Land Security Board by Creditors

Fiscal Year	FCC	ACS	Credit Unions	Other	Chartered Banks	Total
1995-96	112	196	89	34	50	481
1996-97	91	155	75	32	33	386
1997-98	107	83	78	24	50	342
1998-99	108	43	91	27	44	313
1999-00	174	27	103	41	58	403
2000-01	179	18	94	25	89	405
2001-02	76	31	99	27	96	329
2002-03	120	8	69	22	81	300
2003-04	105	16	89	43	44	297
2004-05	166	23	102	27	110	428
2005-06	139	15	89	29	78	350
2006-07	145	18	87	31	76	357

Observations

The number of Notices of Intent to Foreclose served on Saskatchewan farmers continues at a level that indicates persistent financial difficulties in the Saskatchewan farm economy. The number of farms attached to this notice level should not be considered the extent of the contraction and dislocation that has been occurring. Participation in federally-mandated programs that have more general application than the provincial foreclosure intervention has been at elevated levels over the past fiscal year: 147 applications were received under the Farm Debt Mediation Services program; and 1,074 applications were received under the Farm Consultation Service and Federal Farm Families Options program. Significant numbers of farms are being dissolved through voluntary liquidations, not involving Notices of Intent to Foreclose.

Court Reports

The Board's report to the court provides primary advice to the court in its decision as to whether a foreclosure action should be allowed to proceed. In addition to addressing the critical questions of whether the farm family has reasonable possibility of paying the mortgage, and whether sincere and reasonable effort has been made to pay the mortgage, the Board can provide any information it deems relevant to the situation. The report is distributed initially to the farmer, the creditor and their legal counsel. Once the creditor advises the Board that it will proceed with a court application, the report is issued to the court.

The number of court report requests in 2006-07 increased somewhat over that received in the previous year. The proportion of reports where the Board was unable to address question of mortgage service feasibility contributed to this increase. This situation arises from a variety of circumstances, including the unwillingness of the farmer to engage with the Board. There have been increased instances where the farmer has abandoned his farming venture or where, at the time of initial service of the Notice, he was convinced the financial resources were available to bring the mortgage current. In these cases, the arrears have not been addressed and the lender has initiated the court application where field analysis and mediation has not occurred.

Given the general existence of equity in Saskatchewan farm mortgages due to stable or increasing land values, the completion of a legal foreclosure is not a common occurrence. The farmer is usually forced to sell his land to salvage what equity remains. Judicial sale, as opposed to foreclosure, is more common.

By this method, a number of mortgagees or writ holders share in the proceeds of the liquidated property. Judicial sales should not be considered to be of neutral impact on farm families. It is not uncommon that property sold by judicial sale is discounted in value; the farmer can also bear significant legal and court costs, and loses the benefit of the Right of First Refusal that is a feature of *The Saskatchewan Farm Security Act*.

Part II – Court Reports Requested [a]

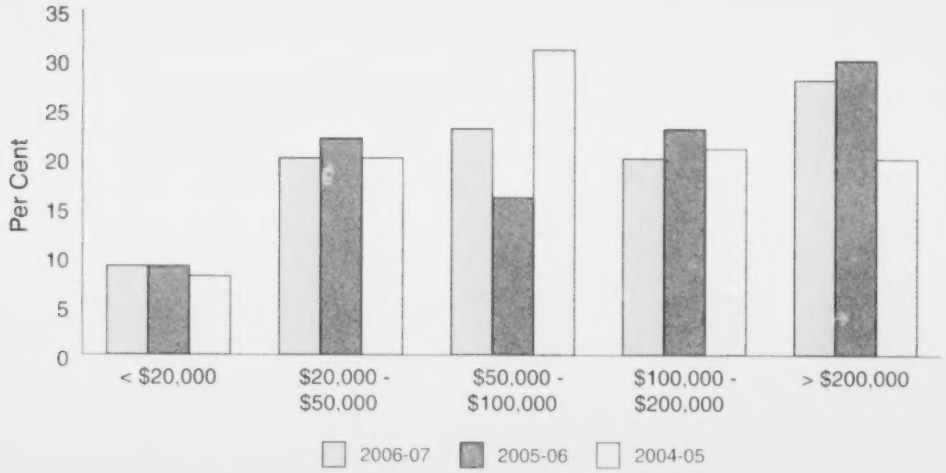
Fiscal Year	Providing Opinion	Providing No Opinion [b]	Uncontested Foreclosure [c]	Resolved [d]	Total
1996-97	55	40	9	12	116
1997-98	62	32	8	16	118
1998-99	66	57	1	18	142
1999-00	58	29	5	16	108
2000-01	101	42	4	12	159
2001-02	84	30	7	17	138
2002-03	74	33	8	17	133
2003-04	60	34	2	15	111
2004-05	80	41	2	20	143
2005-06	86	52	1	19	158
2006-07	75	61	2	27	165

[a] Not all court reports initiated by lenders are issued to the court.
[b] Court report issued when Board's assistance is declined by farmer.
[c] Reflects mediated arrangements which require a court report for legal purposes.
[d] Prior to issuing a preliminary court report, a resolution of the file can take place; the Board cannot accurately track similar resolutions that take place once a court report is issued to the court.

Statistical Profile of Farms Receiving Notice of Intent to Foreclose

Since program inception, the Farm Land Security Board has kept a statistical profile of the farmers receiving Notices of Intent to Foreclose and attending mediation. This information from the 2006-07 fiscal year and the preceding two years is presented in the following graphs:

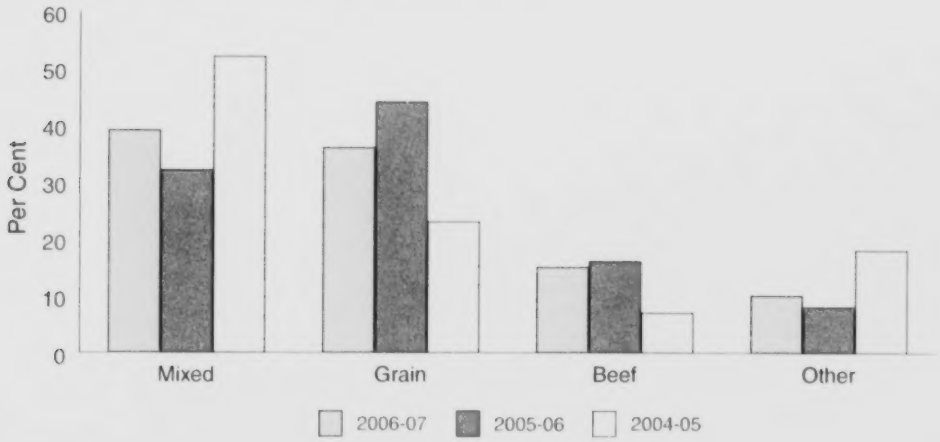
Distribution of Size of Debt Subject to Notice of Intent to Foreclose



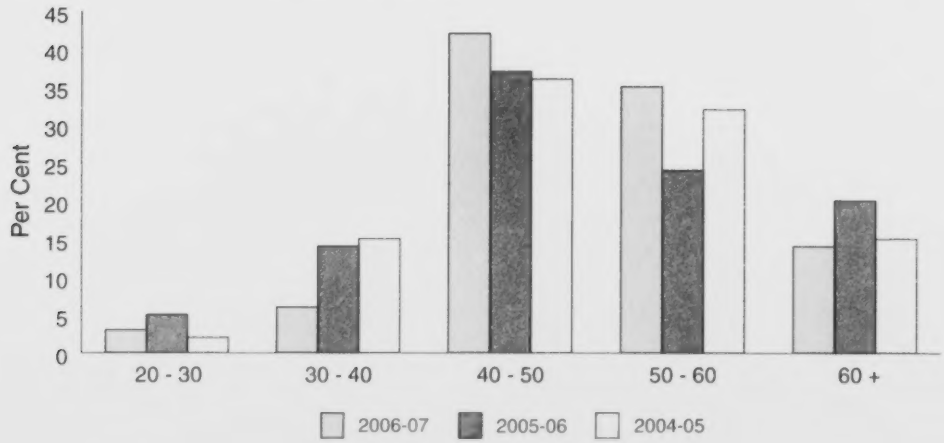
The increase in the category of Notices involving $50,000 to $100,000 debt may indicate a growing inability of farmers to service smaller loans, such as operating and consolidation loans secured by land. It is sometimes the case that Notices affecting smaller-sized mortgages uncover larger financial problems in the farm's non-mortgage debt, especially accumulated operating and input liabilities.

Mixed farms were the only type of farm to see a significant increase in Notice numbers. Two reasons may exist for this statistic. The mixed farms category would include a higher proportion of the smaller farms receiving Notice. Smaller farms often have high overhead costs relative to farm production. As well, the federal CAIS program, that is designed as a disaster assistance program, tends to provide more support for single enterprise farms. The multiple enterprises on mixed farms buffer income when a particular commodity, such as beef cattle, faces a steep price decline. This traditional approach to managing risk can be negated by lower returns through the CAIS program.

Distribution of Enterprise Types Receiving Notice of Intent to Foreclose

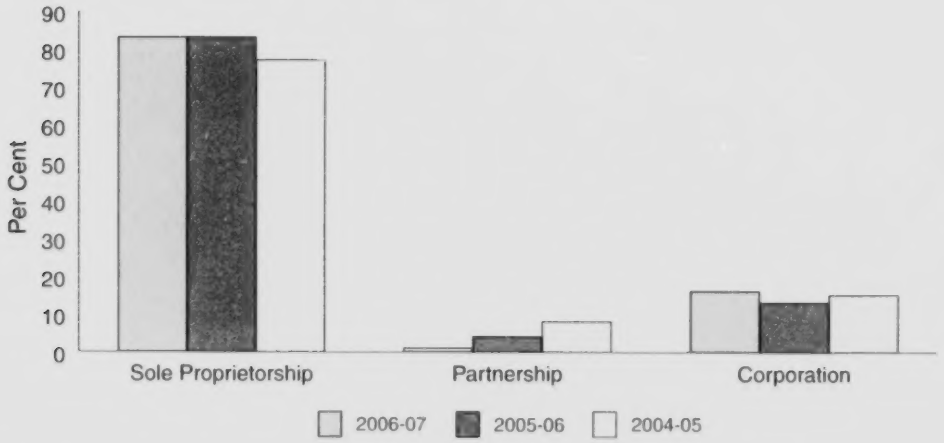


Age Range Distribution of Farmers Receiving Notice of Intent to Foreclose

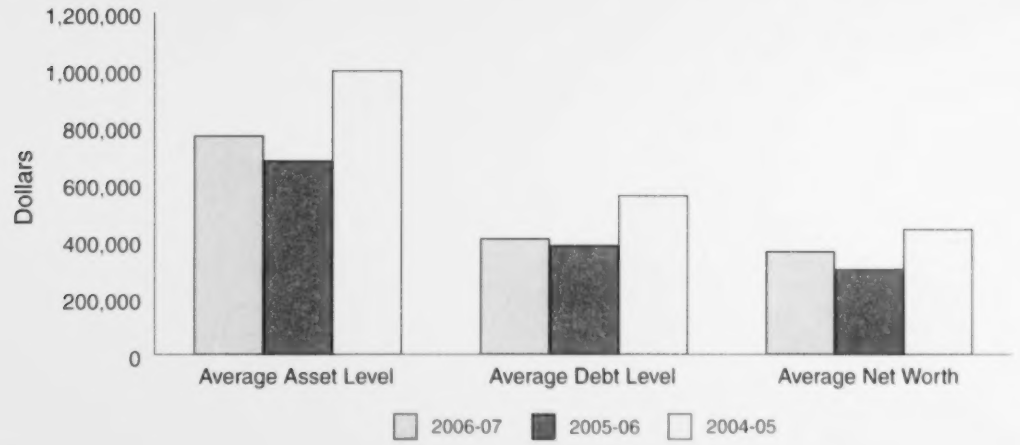


The trend to increased Notices served on farmers in the 40 to 60-age range saw an increase in Notices, where all other age ranges saw decreases. Farmers in the 40 to 60-age range have typically adopted new grains sector technologies and have expanded their cattle herds and farm acreage. Increased Notices in this category may indicate that these farms are leveraged with higher debt levels.

Distribution of Farm Unit Financial Organization Receiving Notice of Intent to Foreclose



Average Asset, Debt and Net Worth Levels of Farms Receiving Notice of Intent to Foreclose



The financial profile of farms receiving Notices continues to reveal that foreclosures are threatening the full spectrum of Saskatchewan farms and farmers.

Part III – Home Quarter Protection

Mandate

Home Quarter Protection has been a cornerstone of Saskatchewan farm protection legislation since the early 1940s. The protection stays the registration of a Final Order for Foreclosure as long as the farmer continues to live on the homestead. A farmer and a lender may co-apply to the Farm Land Security Board to have a mortgage excluded from this protection. The Board is empowered to exclude the mortgage from protection when, in the opinion of the Board, it would benefit the farmer. The program assists farmers consider a broader range of financing options, as opposed to attaching debt to their home quarter.

Resources

Part II and III office and human resources are shared. (See Part II for more details.)

Objectives

The mandate of this Part is achieved by clarifying with farmers their security options and examining their ability to service the mortgage obligations. Before the Board will order a mortgage excluded from the protection, it must be convinced the farmer can repay the loan, and that other suitable security is not available. Additionally, it must be convinced that any aspect of a loan which appears uncharacteristic of typical lending practices has been fully discussed with the parties.

Part III – Applications Received

Fiscal Year	Co-Applications
1996-97	1,038
1997-98	918
1998-99	774
1999-00	562
2000-01	484
2001-02	469
2002-03	506
2003-04	515
2004-05	581
2005-06	491
2006-07	445

Activities

Co-applications are reviewed by Board staff. Staff typically contact the farmer and the creditor as part of their review and may request additional information concerning the farm financial situation. Staff will analyze the farm budget and security options to establish that the loan is affordable and that more suitable security arrangements are not possible. In the most difficult situations, the co-application is assigned to a field consultant. The consultant will meet with the farmer and the creditor to prepare a report for the Board.

A decision to refuse to exclude a mortgage from the protection only occurs after clear evidence that either the loan is not serviceable or that alternate satisfactory security options are available.

Rather than deny an application, the Board will work with the parties to find acceptable alternatives. This results in a very low incidence of an application being denied.

Part III – Disposition of Applications to Waive Home Quarter Protection

Fiscal Year	Order Issued	Special Order Issued	Order Denied	Return/ Withdraw	Total
1994-95	723	93	9	85	910
1995-96	625	109	7	82	823
1996-97	776	157	8	82	1,023
1997-98	677	158	8	70	913
1998-99	550	153	10	75	788
1999-00	216	287	2	69	574
2000-01	131	304	2	37	474
2001-02	37	392	0	42	471
2002-03	135	339	2	29	505
2003-04	376	129	0	15	520
2004-05	376	160	1	33	570
2005-06	331	127	2	20	480
2006-07	276	135	5	40	456

Distribution of Home Quarter Exemption Applications by Purpose Category

	2005-06	2006-07
Construction	10%	9%
Purchase	19%	17%
Restructure	40%	45%
Revolving Credit	11%	8%
Debt Settlement	2%	1%
Other	18%	20%

Impacts

The Board's activities help to maintain the security of farm family homesteads. Its activities ensure that debt obligations are serviceable when a homestead is involved and that alternative options for securing debt are considered. These activities increase farmer knowledge of risk management and contribute to the stability of rural communities in the future.

Many mortgages are issued exclusion orders identifying and attaching explicit conditions. Such conditions may release a home site from the mortgage if the loan fails, or to release the home quarter once the principal is reduced to a specified amount.

Observations

The total number of co-applications to waive Home Quarter Protection in the 2006-07 fiscal year declined by five per cent following a 16 per cent decline in the previous year.

The number of co-applications in each of the purpose categories has remained relatively consistent with the exception of debt restructures. Debt restructures have increased, due to farms not being able to service their loan payments, and due to new lending initiatives offering lower interest rates and interest-only payments on mortgage-secured loans.

Part VI – Farm Ownership

Mandate

This legislation is designed to ensure that non-resident or corporate control of Saskatchewan farm land does not negatively affect the interests of resident producers or the economic and social development of the province.

Resources

$97,300 was expended on the delivery of Part VI activities under the *Act*, exclusive of general administrative overhead and Board meetings. Two full-time equivalent employees work in this program.

Objectives

The Board seeks to preserve ownership and operation of Saskatchewan farm land by residents through ensuring compliance with farm ownership legislation. The Board also maintains an internal objective to remain current in the area of agriculture and land related issues. This contributes positively to its decisions regarding land ownership.

Activities

Responsibilities of the Board include the granting or denial of applications for exemption or extension, issuing Orders for Divestment, recommending court action for violation of the *Act's* provisions, and generally advising the government of farm ownership issues. Where individuals or corporations acquire, or plan to acquire, holdings that exceed that allowed by statute, the Board considers the interests of all affected parties in making its determinations. Staff assigned to this aspect of the program monitor all changes of title respecting farm land.

Activity Summary

Staff investigated and processed applications for exemption and applications for extension, in order to achieve compliance with the legislation. An application may result in the granting of more than one exemption. In addition, staff responded to personal or written inquiries.

Activity Detail

The Board monitored changes of interest in rural land in the province by analyzing and classifying raw data provided by Information Services Corporation. For the Board's purposes, the initial analysis of 2006-07 revealed 28,233 transfers (24,235 in 2005-06), totaling 3,702,659 acres (3,200,659 acres in 2005-06).

Acres transferred increased 16 per cent from the previous year. The following table illustrates the number of transfers in various categories of individuals and corporate entities. The data include title changes such as registrations of joint ownership, corporate name changes and interim transfers to estates. Therefore, the total transfers do not equate to "new ownership" but reflect "title activity."

The Farm Land Security Board uses transfer information as a basis for its monitoring of dispositions and acquisitions by both individuals and corporations. The Board examines acquisitions by corporations and non-Canadians to ensure holdings are not acquired by those who are ineligible to hold land. Provisions of the *Act* allow certain transfers to foreign resident individuals. These include transfers below 10 acres in size, and transfers to individuals who are Canadian citizens, non-Canadian citizens who are eligible for an in-family transfer and for estate transfers.

2006-07 Transfer Statistics

Address or Category of Transferee	Number of Transfers	Acreage
Saskatchewan	19,925 (17,060)	2,638,701 (2,321,459)
Canada	1,758 (1,267)	247,549 (173,987)
Foreign	189 (165)	31,569 (26,789)
Lending Institutions including Crown Lenders	27 (30)	4,398 (4,578)
Government (including Non-lending Crown Corporations)	1,058 (975)	82,456 (75,194)
Corporations	5,276 (4,738)	687,986 (598,654)
Total	**28,233** **(24,235)**	**3,702,659** **(3,200,659)**

Numbers in parentheses are for 2005-06 fiscal year.

Application for Exemption

The Board has the authority to consider applications for exemption which, if approved, allow non-eligible individuals or non-agricultural corporations to have or acquire a land holding in excess of that allowed under the farm ownership provisions of *The Saskatchewan Farms Security Act*. Denials were primarily based on the Board's conclusion that the intended acquisition would be contrary to the longer term interests of Saskatchewan people. The following table summarizes the Board's activity in applications for exemption.

General categories have been developed for the request for exemption the Board receives.

Purchaser Intending to Reside
The Board regularly considers exemption requests by non-residents who plan to move to Canada and are acquiring land in advance of their residency.

Intensive Livestock
Many intensive livestock enterprises are organized as limited partnerships or corporations that, for the purposes of the *Act*, require an exemption to hold more than 10 acres.

Commercial Development
Many commercial undertakings require farm land to develop industrial plants, grain terminals and mining operations.

Investment – Family and Non-Family Support
In some cases, residents have obtained assistance from non-residents to re-acquire their farms from financial institutions or have accessed capital to start a new farm venture.

Inheritance/Estate Planning
To facilitate estate planning involving transfers of farm land to non-resident beneficiaries, exemption requests are considered. Exemptions granted for this purpose generally correspond with the five-year period allowed for divestment in the *Act*.

Wildlife/Conservation
Acquisitions under this part are, for the most part, now governed by the Southern Conservation Lands Policy which exempts qualifying organizations from farm ownership legislation.

Recreational Properties
A new category has been recognized this fiscal year. Often, smaller parcels of land of marginal agricultural value command much higher prices than its agricultural value. A Board policy dealing with recreational properties has been developed and will be available on the Board's web site.

Lender Extension
The *Act* provides that a lender may hold land acquired by way of foreclosure or quitclaim for two years. A lender must apply for extension in order to hold land beyond this two-year period.

Family Support
In some cases, non-residents have aided residents to recover farm land lost to foreclosures or provided some other assistance for the benefit of residents which has required an ownership exemption.

Investors in an Agricultural Corporation
The *Act* provides that a farming corporation, majority-owned and controlled by resident producers, may own land without restriction. Notwithstanding this provision, the share interests of a non-resident in such a corporation are equated to an interest in land subject to the *Act* and, therefore, must receive an exemption.

Exemption Statistics

	Granted		Acres		Denied		Acres	
Exemption Category	**2006-07**	**2005-06**	**2006-07**	**2005-06**	**2006-07**	**2005-06**	**2006-07**	**2005-06**
Purchaser Intending to Reside	11	7	13,866	15,680	0	0	0	0
Border Farm	2	1	1,100	1,270	0	0	0	0
Intensive Livestock	0	0	0	0	0	0	0	0
Grain Farm	0	0	0	0	0	0	0	0
Ranching	0	0	0	0	0	0	0	0
Investors in Ag Corporations	0	0	0	0	0	0	0	0
Commercial Developments	4	9	2,877	6,820	0	0	0	0
Family and Non-Family Support	1	0	470	0	0	0	0	0
Inheritance and Estate Planning	3	2	1,890	1,600	0	0	0	0
Wildlife and Conservation	19	47	13,213	28,274	0	0	0	0
Recreational Property	3	0	468	0	0	0	0	0
Lender Extension	0	0	0	0	0	0	0	0
Total	**43**	**66**	**33,884**	**53,644**	**0**	**0**	**0**	**0**

Applications for Extension

Financial institutions acquired a total of 4,398 acres through debt resolution during this fiscal year, compared to 4,576 in 2005-06. A creditor acquiring agricultural land through the realization, quitclaim, settlement or other disposition of its security is permitted to retain that land holding for a period of two years. The Board has the authority to extend the two-year period allowed creditors.

The preference of financial institutions is to divest of farm land they have recovered. They have generally been willing to co-operate with the Board in providing leasing arrangements, if necessary, for the farmers who gave up ownership of land when land cannot be sold.

Enforcement Summary

No enforcement files were outstanding at the end of the 2006-07 fiscal year.

Accomplishments

The land sales database continues to provide a useful service to the public by allowing searchable access to land sale information. It also facilitates the monitoring of land sales transactions for the purposes of the *Act*.

Observations

Land transfer data reveal that farm land purchases by Canadians who reside outside of Saskatchewan have increased by more than 50 per cent in the past year.

Farm land purchases by corporations with some or all shareholders being Canadian residents outside of Saskatchewan have been substantial. There are essentially two types of this corporation. Several have purchased farm land and will be carrying on farming operations, while others are acquiring a farm land base as an investment to be leased out.

The amount of land acquired by credit institutions continued to decrease. The land market remained firm enough to direct debt-induced sales to the private market, rather than to the lending institutions by way of foreclosure or voluntary transfer in settlement of debt.

The Southern Conservation Lands Policy has exempted qualifying wildlife organizations.

Financial Results

Expenditures

A budget of $861,000 was provided to the Farm Land Security Board in the 2006-07 fiscal year. Expenditures and accounts payable for the year were $938,900. The Board supervised a workforce of seven full-time equivalent employees and 28 contract field consultants.

During the 2005-06 fiscal year, support staff and in-scope managers received a one-time retroactive payment, upon being formally classified by the Public Service Commission. Payment was retroactive to October 2003.

During the 2006-07 fiscal year, two temporary employees were employed during the extended absence of two permanent employees due to medical reasons.

Expenditures and Accounts Payable *(thousand dollars)*	**2006-07**	**2005-06**	**2004-05**
Administration/Board			
Salaries	185.0	130.3	145.2
Other Expenses	49.8	34.6	27.5
Total	**234.8**	**164.9**	**172.7**
Part II and III			
Salaries	103.9	101.5	97.7
Other Expenses	344.4	275.2	307.8
Accounts Payable	16.0	27.3	26.3
Total	**464.3**	**404.0**	**431.8**
Part VI			
Salaries	94.5	89.8	71.0
Other Expenses	2.8	0.7	2.1
Total	**97.3**	**90.5**	**73.1**
Systems			
Salaries	59.8	63.0	52.8
Other Expenses	82.7	95.2	92.4
Total	**142.5**	**158.2**	**145.2**
Totals			
Salaries	443.2	384.6	366.7
Other Expenses	463.7	405.7	429.8
Accounts Payable	16.0	27.3	26.3
Total	**938.9**	**817.6**	**822.8**

Revenue

During 2006-07, a Notice Application Fee, Land Sales Data Fee and Farm Ownership Fee generated $117,500 in revenue and accounts receivable.

Revenues *(thousand dollars)*	**2006-07**	**2005-06**	**2004-05**
Notice Application Fee	79.2	77.5	88.6
Land Sales Data Fee	36.7	35.6	34.6
Farm Ownership Fee	1.6	4.6	3.2
Total	**117.5**	**117.7**	**126.4**